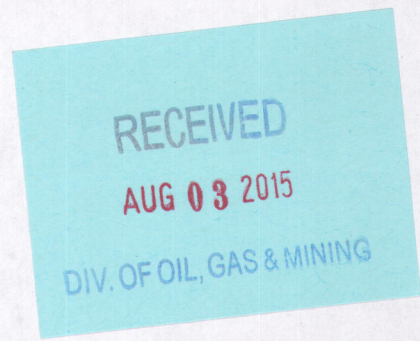


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Lynn



Kenneth L. Cannon II (3705)
Penrod W. Keith (4860)
DURHAM JONES & PINEGAR, P.C.
111 East Broadway, Suite 900
P O Box 4050
Salt Lake City, UT 84110-4050
Telephone: (801) 415-3000
Facsimile: (801) 415-3500
Email: kcannon@djplaw.com
pkeith@djplaw.com

Proposed Attorneys for the Debtor

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF UTAH, CENTRAL DIVISION**

In re:	Bankruptcy Case No. 15-26366
CORNERSTONE INDUSTRIES, INC.,	
Debtor.	Chapter 11 Honorable William T. Thurman

**NOTICE OF DEBTOR'S APPLICATION PURSUANT TO SECTION 327(a) OF THE
BANKRUPTCY CODE TO RETAIN AND EMPLOY DURHAM JONES & PINEGAR AS
COUNSEL, NOTICE OF OBJECTION DEADLINE, AND NOTICE OF HEARING**

PLEASE TAKE NOTICE that Cornerstone Industries, Inc. ("Cornerstone" or the "Debtor"), debtor and debtor in possession, has filed an application (the "Application") for entry of an order authorizing it to employ Durham Jones & Pinegar, P.C. ("DJP") as its bankruptcy counsel effective as of July 8, 2015, pursuant to 11 U.S.C. §327(a), and Rules 2014, 2016, and 5002 of the Federal Rules of Bankruptcy Procedure. Copies of the Application and the Declaration of Kenneth L. Cannon II in support thereof have been served herewith.

PLEASE TAKE FURTHER NOTICE that your rights may be affected. You should read this Notice and the Application and supporting documentation carefully and discuss them with your attorney, if you have one in this bankruptcy case.

PLEASE TAKE FURTHER NOTICE that, if you do not want the Bankruptcy Court to approve the Application, or if you want the Bankruptcy Court to consider your views on the Application, then you or your attorney must file with the Bankruptcy Court and serve on the undersigned proposed counsel for the Debtor a written objection to the Application in conformity with Rule 9013-1 of the Bankruptcy Court's local rules of practice so that it is received no later than **Monday, August 17, 2015, at 5:00 p.m., MDT**. Your objection must be filed at:

Clerk
United States Bankruptcy Court
350 South Main Street, # 301
Salt Lake City, Utah 84101

PLEASE TAKE FURTHER NOTICE that, if you mail your objection to the Bankruptcy Court for filing, you must mail it early enough so the Court will receive it on or before the time and date stated above. You must also serve your objection on the undersigned proposed counsel for the Debtor and on other parties in interest.

PLEASE TAKE FURTHER NOTICE that the Application will come on for hearing before the Honorable William T. Thurman, Chief Judge, United States Bankruptcy Court, on **Thursday, August 20, 2015, at 10:30 a.m., MDT**, in Courtroom 2B. U.S. Bankruptcy Court for the District of Utah, Fifth District Court, State of Utah, 206 West Tabernacle, St. George, Utah 84770. You or your attorney must attend the hearing on the Application if you want your objection to be considered by the Bankruptcy Court. You may attend the hearing by video conference from

Courtroom 376, Frank E. Moss United States Courthouse, 350 South Main Street, Salt Lake City, Utah 84101.

PLEASE TAKE FURTHER NOTICE that, pursuant to Rule 9013-1(f) of the Bankruptcy Court's local rules of practice, absent timely filing and service of objections to the Application, the Debtors may ask that the Court to approve the Application without further notice or hearing. Additionally, upon the resolution of any timely filed and served objections to the Application, the Debtors may ask the Bankruptcy Court to approve the Applications without further notice or hearing.

DATED this 29th day of July, 2015.

DURHAM JONES & PINEGAR, P.C.

By: /s/ Kenneth L. Cannon II
Kenneth L. Cannon II (3705)
Penrod W. Keith (4860)
111 East Broadway, Suite 900
P O Box 4050
Salt Lake City, UT 84110-4050

Proposed Attorneys for the Debtor

Kenneth L. Cannon II (3705)
Penrod W. Keith (4860)
DURHAM JONES & PINEGAR, P.C.
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Telephone: (801) 415-3000
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Email: kcannon@djplaw.com
pkeith@djplaw.com

Proposed Attorneys for the Debtor

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF UTAH, CENTRAL DIVISION**

In re:	Bankruptcy Case No. 15-26366
CORNERSTONE INDUSTRIES, INC.,	
Debtor.	Chapter 11 Honorable William T. Thurman

**DEBTOR'S APPLICATION PURSUANT TO SECTION 327(a) OF THE BANKRUPTCY
CODE FOR ENTRY OF AN ORDER AUTHORIZING THE DEBTOR TO
RETAIN AND EMPLOY DURHAM JONES & PINEGAR AS COUNSEL**

Debtor Cornerstone Industries, Inc. ("Cornerstone" or the "Debtor"), debtor and debtor in possession, hereby files this application (the "Application") for entry of an order authorizing the Debtor to employ Durham Jones & Pinegar, P.C. ("DJP") as its bankruptcy counsel effective as of July 8, 2015, the petition date in this case, pursuant to section 327(a) of the United States Bankruptcy Code (the "Bankruptcy Code"), and Rules 2014, 2016, and 5002 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"). In support of this Application, the Debtor states as follows:

1. On July 8, 2015 (the "Petition Date"), the Debtor filed a voluntary petition in this Court under chapter 11 of the Bankruptcy Code.

JURISDICTION AND VENUE

2. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U. S. C. § 157(b).

3. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

4. The statutory bases for the relief requested here are sections 327 and 330 of title 11 of the United States Code Rules 2014(a), and 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”).

RETENTION OF DURHAM JONES & PINEGAR

5. By this Application, the Debtor requests that the Court enter an order authorizing the Debtor to employ and retain DJP as their bankruptcy counsel in accordance with the terms and conditions set forth in that certain engagement letter between the Debtor and DJP, dated July 7, 2015, a copy of which is annexed hereto as **Exhibit 1**.

6. No trustee or creditors' committee has been appointed in the Debtor's case.

7. The Debtor has selected DJP because of its experience and qualifications in bankruptcy matters, including representing Chapter 11 debtors in possession.

8. The Debtor expects that Kenneth L. Cannon II and Penrod W. Keith will have primary responsibility for performing work assigned to DJP, with the assistance of other DJP professionals and paraprofessionals, as necessary.

9. DJP intends to apply for compensation and reimbursement for professional services rendered and reimbursement of actual, necessary expenses incurred in connection with this chapter 11 case, subject to the Court's approval in compliance with applicable law. DJP intends to seek compensation at its normal hourly rates in effect at the time its services are

rendered. DJP's hourly billing rates for the lawyers likely to perform services in this case are, Kenneth L. Cannon II, \$390, Penrod W. Keith, \$370. Hourly billing rates for other attorneys who may be involved in DJP's representation of the Debtor range from \$185 to \$430. DJP also intends to seek reimbursement for its non-overhead, identifiable expenses incurred in connection with the Debtor's case, and in accordance with applicable law.

10. DJP has not shared or agreed to share any compensation or reimbursement from this engagement with any person other than employees of DJP as allowed by Bankruptcy Code Section 504.

11. Prior to the Petition Date, the Debtor consulted with Durham Jones & Pinegar. It paid DJP a cash retainer in the amount of \$25,000.00. \$3,081.00 of the retainer was used in prepetition services performed and the chapter 11 filing fee paid as of the Petition Date. DJP was fully paid for its prepetition services and was reimbursed for most of its prepetition expenses. DJP is holding the remaining \$21,919 as a retainer in this chapter 11 case.

12. To the best of the Debtor's knowledge and as disclosed herein and in the declaration of Kenneth L. Cannon II (the "Cannon Declaration") submitted with this Application: (a) DJP is a "disinterested person" within the meaning of section 101(14) of the Bankruptcy Code, as required by section 327(a) of the Bankruptcy Code, and does not hold or represent an interest adverse to the Debtor's estate; and (b) DJP has no connection to the Debtor, its creditors, or its related parties except as may be disclosed in the Cannon Declaration.

13. DJP will periodically review its files during the pendency of this chapter 11 case to ensure that no conflicts or other disqualifying circumstances exist or arise. If any new relevant facts or relationships are discovered or arise, DJP will use reasonable efforts to identify such

further developments and will file promptly a supplemental declaration, as required by Bankruptcy Rule 2014(a).

14. The Debtor request that their employment of DJP be effective as of July 8, 2015.

NOTICE AND PRIOR MOTIONS

15. No trustee, examiner, or creditors committee has been appointed in the Debtor's chapter 11 case. Notice of this Motion has been given to the United States Trustee for the District of Utah and the Debtor's twenty (20) largest unsecured creditors (some through counsel). Under the circumstances, the Debtor submits that no further notice is necessary or required.

16. No previous request for the relief sought herein has been made to this or any other court.

WHEREFORE, the Debtor respectfully requests entry of an order granting the relief requested herein and such other and further relief as this Court deems just and proper.

DATED this 28 day of July, 2015.

CORNERSTONE INDUSTRIES, INC.

By: 

Lisa Flippo, Secretary

Agreed to:

DURHAM JONES & PINEGAR, P.C.

By: 

Kenneth L. Cannon II (3705)

Penrod W. Keith (4860)

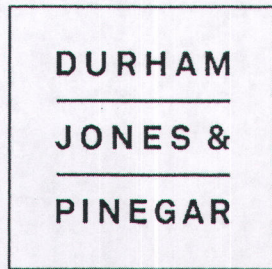
111 East Broadway, Suite 900

P.O. Box 4050

Salt Lake City, UT 84110-4050

Proposed Attorneys for the Debtor

EXHIBIT 1



DURHAM JONES & PINEGAR, P.C.
111 East Broadway, Suite 900
P O Box 4050
Salt Lake City, Utah 84110
801.415.3000
801.415.3500 Fax
www.djplaw.com

July 7, 2015

VIA ELECTRONIC MAIL

Cornerstone Industries Inc.
c/o Eric Flippo and Lisa Flippo
P.O. Box 2740
Cedar City, UT 84721
Email: lisaflippo@cornerstoneindustries.com

**Re: Engagement of Durham Jones & Pinegar as Workout/Bankruptcy Counsel for
Cornerstone Industries Inc.**

Dear Eric and Lisa:

We are delighted that Cornerstone Industries Inc. (sometimes referred to herein as "Company" or "you") has chosen to retain DURHAM JONES & PINEGAR (the "Firm," "we" or "us"). This letter sets forth the terms of the Firm's engagement. This letter sets forth the terms of the Firm's engagement. This letter constitutes an agreement between us, and sets forth the entire agreement for rendering professional services for the current matter, except where we otherwise agree in writing.

1. Staffing. Penrod Keith and I will be the lawyers primarily responsible for this engagement. I may also utilize other attorneys and paralegals in the Firm as appropriate for your matter. During our work for the Company, please feel free to contact me with any concerns relating to the Firm's work.
2. Scope of Engagement. The Company has requested that we advise and represent the Company with respect to workout matters, including the preparation and filing of potential Chapter 11 petition for the Company and matters within the chapter 11 case but not including any adversary proceeding or separate litigation which might be commenced during the case's pendency. The Firm will not be representing the Company as to legal matters for which the Firm has not been engaged, for example, as to which the Company has or will retain other counsel including any other litigation.

3. Identity of the Client. Our client in this matter will only be the Company. We do not represent and will not be deemed to have an attorney-client relationship with any of the Company's members, managers, partners, employees, officers, joint venturers or other affiliates or constituents solely on account of our representation of the Company. We may, of course, advise the Company as to such matters, upon request, and this engagement letter may be amended for that purpose provided that the Firm and the Company each sign an amendment.

4. Billing Policies and Procedures. We will charge the Company on an hourly basis (in tenths of hours) for all time spent in representing the Company, including, by way of illustration, telephone and office conferences with members, managers, or employees of the Company, opposing counsel, if any, and others; conferences among our attorneys and paralegal personnel; factual investigation if needed; legal research; responding to your requests for us to provide information to you; drafting letters and other documents and travel if needed. Our hourly rates presently range from \$150 per hour for our newer associates to \$450 per hour for our most senior and experienced partners. We presently anticipate that the primary services will be performed by Penrod Keith and me. My current hourly rate is \$390 per hour and Penrod's is \$370 per hour. Our rates are normally raised once each year, and therefore will increase during the course of the engagement if it extends beyond the current year. A current or updated schedule of hourly rates in effect from time to time during this engagement will be made available to you on request. I will make staffing decisions with the objective of rendering services to you on the most efficient and cost-effective basis.

In addition to our legal fees, you agree to pay for our out of pocket disbursements and other charges as they are incurred. These will include such items as photocopies at \$0.15 per page, outgoing faxes at \$0.50 per page, document scanning at \$0.07 per page, computerized research such as Lexis and Westlaw, messengers, court reporters, filing fees, fact witness fees, travel expenses, postage, overnight delivery services, document production, and deposition transcripts. We require that the Company advance funds for certain large disbursements such as large copying requests, outside suppliers or contractors' charges (such as electronic document production contractors, appraisers, expert witness fees, title or escrow companies), or large filing fees outside our normal monthly billing cycle. In addition, we reserve the right to send to you for direct payment any invoices delivered to us by others, including experts and any vendors. It is further agreed that, with your prior approval, we are expressly authorized to retain any consultants, experts, or vendors that are reasonably necessary to our representation of you.

Legal fees and costs are difficult to estimate. Accordingly, we have made no commitment concerning the maximum fees and charges that will be necessary to resolve or complete our

representation (and the retainer identified below is not such a maximum or estimate). From time to time, we may furnish estimates of legal fees and other charges that we anticipate will be incurred in connection with our representation of you. Such estimates are by their nature inexact because of the potential for unforeseeable circumstances; and therefore, our actual fees and other charges may vary from such estimates. Furthermore, it is expressly understood that payment of our fees and charges is in no way contingent on the ultimate outcome of our representation.

Our billing statements will be forwarded to you at regular intervals as provided for under the Bankruptcy Code (if the company is in bankruptcy) or monthly (if the company is not in bankruptcy), and will include fees, disbursements and other charges for the prior month. If necessary and appropriate, statements on a more frequent basis will be provided. In the event a Chapter 11 filing becomes necessary, we will issue such interim statements as are necessary and appropriate to assure payment in full prior to any such filing.

You agree to provide us a cash retainer in the amount of twenty-five thousand dollars (\$25,000.00) (the "Initial Retainer"). The payment of the Initial Retainer must come from the Company even if the source of the Initial Retainer is a loan from a related person.

We will hold amounts in the Initial Retainer as security against the Firm's incurred fees and expenses. The Company hereby represents that the source of all amounts paid to the Firm by the Company as a cash retainer (or paid on account of invoices) is (or will be) cash funds of the Company.

If the Company obtains retainer funds from (or that any amounts invoiced by the Firm be paid by) an affiliate of the Company (including any member or manager), the Company will disclose the source of payment to the Firm and, with respect to any such amounts, represents as follows: (a) the Firm does not and will not in any way represent or be deemed to represent the interests of that affiliate, and will not be deemed to have done so on account of the advance of funds to the Company or otherwise, but, rather, the Firm's sole client is the Company; (b) the affiliate will not have or assert any right to influence or control the Company's legal decisions or matters as a consequence of having advanced the funds; (c) the Firm will in no way be restricted or limited, if necessary or appropriate in the course of its representation of the Company, to assert any matter, claim, or cause of action against such affiliate; (d) if the affiliate is a member of the Company, the affiliate and the Company do and will consider the advance and record and treat it on their respective books, records, and transactions as a capital contribution to the Company, and not as a loan or debt repayable by the Company; and (e) if the affiliate is not member of the Company, the affiliate and the Company do and will consider the advance and record and treat it on their respective books, records, and transactions as a loan to the Company subordinated in priority to any and all claims against the Company.

The retainer will be held in an interest-bearing client trust account in compliance with policies and procedures established by the Utah State Bar Association. The Company hereby grants the Firm a security interest and attorney's lien in all funds (including all retainer amounts), papers, documents, materials and other items which the Firm may possess in connection with this matter to secure the prompt payment of all fees, costs and expenses of the Firm.

We reserve the right to draw against any balance in our trust account for your matter from time to time at our discretion to the extent of funds therein to pay any costs which have been advanced, expenses incurred and fees for services rendered by us in this matter. The retainer is not a cap or fixed charge of the legal fees or costs that may be required to complete your legal work.

The Company hereby grants the Firm a security interest and attorney's lien in all funds (including all retainer amounts), papers, documents, materials and other items which the Firm may possess in connection with this matter to secure the prompt payment of all fees, costs and expenses of the Firm. Immediately before any Chapter 11 filing, the Firm will use the Initial Retainer to pay incurred and unpaid fees and expenses.

Our billing statements are due and payable upon receipt, except that after the filing of Chapter 11 petitions, our billing statements may not be paid until after the Bankruptcy Court has entered an order approving and authorizing payment. Subject, of course, to our ethical and professional obligations, you agree that the Firm may terminate its legal services and withdraw from this engagement in the event our billing statements are not paid in a timely manner or in the event the Company does not make satisfactory arrangements for funding fees and expenses. The Company agrees that if our billing statements are not timely paid (subject to any required court authorization) and the Company does not arrange satisfactory payment terms, we may seek permission of the Bankruptcy Court to withdraw as counsel for the Company.

5. General Responsibilities of Attorney and Client. The Firm will provide the above-described legal services for the Company's benefit, for which the Company will be billed in the manner set forth above. We will keep you apprised of developments as necessary to perform our services and will consult with you as necessary to ensure the timely, effective and efficient completion of our work. We will not disclose any confidential information of yours to any other client, even where that information might have some bearing on their interests. Likewise, we will not disclose the confidences of any other client to you, even where that information might have some bearing on your interests, and you agree that we are under no obligation to do so. You agree to keep us informed of developments related to

this representation, to provide us with such factual information and documents as we require to perform the services, to make any business or technical decisions and determinations as are appropriate to facilitate the completion of our services, and to remit payment of our billing statements when due, and in accordance with any orders of the court.

6. No Guarantee of Success. It is impossible to provide any promise or guarantee about the outcome of your matter. However, during the course of this engagement, we may express opinions or beliefs to you about the effectiveness of various courses of action or about the results that might be anticipated. Such statements are expressions of opinion only, and should not be construed as promises or guaranties.

7. Conflicts of Interest. Without your consent, we will not represent any other party in this matter, nor any other matter substantially related to it. As with any other client and any other matter, you will have our complete loyalty with respect to this matter.

We note, however, that the Firm has numerous attorneys in several offices and that we practice in many diverse areas of law. Some clients may now or in the future operate in the same lines of business as you do. Both our prudent business conduct, and the interests of our other clients, call for us to seek to retain the ability to take unrelated matters for all of our clients. We thus ask you in connection with this engagement to consent in advance to our acceptance of future matters (including litigation matters) adverse to you, provided that those matters are not substantially related to the work that we have done for you. By entering into this letter agreement, you consent to such adverse representations. In addition, by entering into this letter agreement you agree that if we represent you in a matter in which your interests are adverse to those of another person or entity, we may represent such person or entity on matters unrelated to our work for you.

The Company has consented to our representation after having been advised of these connections.

You should feel completely free to consult other counsel concerning these matters and we encourage you to do so. By entering into this letter agreement, you acknowledge that you have had an opportunity to consult with other counsel.

8. Resolution of Disputes. Subject to any overriding jurisdiction of the Bankruptcy Court, any dispute, claim or controversy, whether in tort, contract or otherwise, arising out of or relating to the relationship between you, your affiliates or successors (the "Client Parties") and Durham Jones & Pinegar, its affiliates, attorneys or staff or any of their successors (the "DJP Parties") or the services provided by the DJP Parties pursuant to this letter agreement or otherwise to the Client Parties shall be brought and tried in any federal or state court located in the State of Utah, in the county where the Utah office of Durham

Jones & Pinegar is located whose attorneys spent the most amount of time on the matter in dispute. Each of the parties hereby submits to and accepts for itself and in respect to its property, generally and unconditionally, the exclusive jurisdiction of the aforesaid courts and appellate courts from any appeal thereof. Each party hereby irrevocably waives any objection which it may now or hereafter have to the laying of venue of any of the aforesaid actions or proceedings and hereby further irrevocably waives and agrees not to plead or claim in any such court that any such action or proceeding brought in any such court has been brought in an inconvenient forum. To the fullest extent permitted by law, each party further agrees that personal jurisdiction over it may be effected by service of process by certified mail addressed to such party at the address provided in this letter agreement, and when so made shall be as if served upon it personally within the State of Utah.

TO THE FULLEST EXTENT PERMITTED BY LAW, EACH PARTY HEREBY WAIVES ITS RIGHTS TO A TRIAL BY JURY OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF OR RELATED TO THE RELATIONSHIP BETWEEN THE CLIENT PARTIES AND THE DJP PARTIES OR THE SERVICES PROVIDED BY THE DJP PARTIES PURSUANT TO THIS ENGAGEMENT LETTER OR OTHERWISE TO THE CLIENT PARTIES, IN ANY ACTION, PROCEEDING OR OTHER LITIGATION OF ANY TYPE BROUGHT BY ANY OF THE PARTIES AGAINST THE OTHER PARTY, WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS, OR OTHERWISE. EACH PARTY HEREBY AGREES THAT ANY SUCH CLAIM OR CAUSE OF ACTION SHALL BE TRIED BY A COURT TRIAL WITHOUT A JURY.

9. Cell Phone and Email Communication. The Firm's attorneys and paralegals sometimes communicate with clients and their professionals and agents by cell telephone or unencrypted email; such communications are capable of being intercepted by others, and therefore may be deemed no longer protected by the attorney-client privilege. You must inform the Firm if you do not wish the Firm to discuss privileged matters on cell telephones with you or your professionals or agents or if you wish the Firm to institute a system to encode all email between the Firm and you or your professionals and agents.

10. Client Files. You are entitled upon written request to any files in our possession relating to the legal services performed by us for you, such as pleadings, motions, discovery, legal memoranda, correspondence, depositions, expert opinions, business records, exhibits or potential evidence, witness statements, agreements, and legal or transactional documents (excluding our recorded mental impressions, research notes, legal theories, internal memoranda, unfiled pleadings, and internal accounting records and other documents not reasonably necessary to your representation), subject to our right to make copies of any files withdrawn by you.

At the close of any matter, we send our files in that matter to a storage facility for storage at our expense. The attorney closing the file determines how long we will maintain the files in storage. After that time, it is our current policy generally to destroy the documents in the stored files. It is not administratively feasible for us to advise you of the closing of a matter or the disposal of records. You agree to maintain your own files for reference or submit a written request for your client files promptly upon conclusion of a matter.

11. Termination. Our engagement may be terminated by either of us at any time by written notice by or to you, at which time all unpaid fees and expenses will become due. We normally do not withdraw from a representation unless the client misrepresents or fails to disclose material facts, fails to pay fees or expenses, or makes it unethical or unreasonably difficult for us to continue to represent the client, or unless other just cause exists. If permission for withdrawal is required by a court, we will apply promptly for permission and termination will coincide with the court's provisions for withdrawal. If this letter agreement or our services are terminated for any reason, the termination will be effective only to terminate our services prospectively and all other terms of this letter agreement shall survive the termination. In addition, our relationship with you will be deemed concluded when we have completed our services. Without limiting the preceding sentence, in the event we have performed no work on your behalf for six consecutive months, you agree that our attorney-client relationship with you will have been terminated. Upon cessation of our active involvement in a particular matter (even if we continue active involvement in other matters on your behalf), we will have no further duty to inform you of future developments or changes in law as may be relevant to the matter. Further, unless you and we mutually agree in writing to the contrary, we will have no obligation to monitor or complete renewal, continuation, or notice dates or similar deadlines that may arise from the matters for which we had been retained.

12. Miscellaneous. You and we understand that this letter agreement constitutes the entire agreement pertaining to the engagement of the Firm, and that it shall not be modified by any policies, procedures, guidelines or correspondence from you or your representative unless agreed to in writing by the Firm.

13. Approval and Return of Letter. We are, of course, delighted to be asked to provide legal services to you, and we are looking forward to working with you on this engagement. Should you ever wish to discuss any matter relating to our legal representation, please do not hesitate to call me directly, or to speak to one of our other attorneys who is familiar with the engagement.


After you have reviewed this letter agreement carefully and, if it comports with your understanding of our respective responsibilities, so indicate by returning a signed copy of

Cornerstone Industries Inc.
c/o Eric Flippo and Lisa Flippo
July 7, 2015
Page 8

this letter agreement to me at your earliest convenience so as not to impede the commencement of work on your behalf.

Very truly yours,

DURHAM JONES & PINEGAR, P.C.


Kenneth L. Cannon II

KLC:kh


APPROVAL OF ENGAGEMENT

The undersigned, a duly authorized officer or manager of Cornerstone Industries Inc. has read the enclosed letter and agrees to its terms, effective as of the date on which Durham Jones & Pinegar first provided services to Cornerstone.

BY SIGNING THIS LETTER, THE UNDERSIGNED AGREES TO HAVE ANY DISPUTE OR CLAIM ARISING OUT OF OR RELATING TO OUR RELATIONSHIP OR THE SERVICES OF THE DJP PARTIES (INCLUDING ANY CLAIM FOR PROFESSIONAL LIABILITY) DECIDED BY A COURT TRIAL WITHOUT A JURY AND GIVES UP ITS RIGHT TO A JURY TRIAL AND ACKNOWLEDGES AND AGREES TO THE DISPUTE RESOLUTION AND VENUE PROVISIONS SET FORTH ABOVE.

Date: July 7, 2015

CORNERSTONE INDUSTRIES INC.,
a Utah corporation

By: 

Name: ERIC FLIPPO

Title: PRESIDENT

Kenneth L. Cannon II (3705)
Penrod W. Keith (4860)
DURHAM JONES & PINEGAR, P.C.
111 East Broadway, Suite 900
P O Box 4050
Salt Lake City, UT 84110-4050
Telephone: (801) 415-3000
Facsimile: (801) 415-3500
Email: kcannon@djplaw.com
pkeith@djplaw.com

Proposed Attorneys for the Debtor

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF UTAH, CENTRAL DIVISION**

In re:	Bankruptcy Case No. 15-26366
CORNERSTONE INDUSTRIES, INC.,	
Debtor.	Chapter 11 Honorable William T. Thurman

**DECLARATION OF KENNETH L. CANNON II PURSUANT TO 11 U.S.C. § 329(a)
AND FED. R. BANKR. P. 2014(a) AND 2016(a) IN SUPPORT OF DEBTOR'S
APPLICATION PURSUANT TO SECTION 327(a) OF THE BANKRUPTCY CODE
TO RETAIN AND EMPLOY DURHAM JONES & PINEGAR AS COUNSEL**

The undersigned, Kenneth L. Cannon II, hereby declares as follows:

1. I am a shareholder of Durham Jones & Pinegar, P.C. ("DJP"), and am a duly licensed and practicing attorney in the State of Utah. I am admitted to practice in the United States District Court for the District of Utah, the United States Court of Appeals for the Tenth Circuit; and in other courts. To the best of my knowledge based upon the inquiries described below, the following statements are true.

2. Prepetition Representation of the Debtor and Chapter 11 Petition. Prior to the filing of the petition by Cornerstone Industries, Inc. (the "Debtor" or "Cornerstone") in this case,

the Debtor requested and received advice from DJP concerning filing a chapter 11 reorganization case. The Debtor's case was commenced on July 8, 2015.

3. Materials Reviewed Regarding Possible Connections. I received from the Debtor a list of creditors. I requested that DJP's staff conduct computerized conflicts checks on these names.

4. Determination of Connections with Parties in Interest. Based on the results of our firm's computerized conflicts check, as well as an email message sent to all attorneys of the Firm, we have identified no connections between the Debtor and other parties in interest in the Debtor's case. Insofar as I have been able to determine, with the assistance of employees of the Firm, DJP does not currently represent any third party in interest in any matter related to the Debtor.

5. United States Trustee. Insofar as I am aware, DJP has no connections with the office of the United States Trustee or its staff which prevent DJP's employment as counsel for the Debtor.

6. Equity Security Holder Status. DJP is not and has not been an equity security holder of the Debtor.

7. Insider Status. DJP is not and has not been an insider of the Debtor. Neither DJP nor any of its attorneys is or has been an officer or director of the Debtor, person in control of the Debtor, in a partnership in which the Debtor is a general partner, or relative of a member, manager, or person in control of the Debtor.

8. Materially Adverse Interest Status. DJP does not have an interest materially adverse to the interest of the Debtor's estate or of any class of creditors or equity security

holders, by reason of any direct or indirect relationship to, connection with, or interest in, the Debtor or for any other reason.

9. Section 327(a) Status. DJP does not hold or represent an interest adverse to the estate of the Debtor and is a disinterested person, all within the meaning of 11 U.S.C. § 327(a), and the proposed employment of DJP is proper under 11 U.S.C. §§ 327(a), (c) and 1107(b).

10. Rule 5002 Status. DJP has no disqualifying connections within the meaning of Bankruptcy Rule 5002, which provides that a bankruptcy judge may not approve the employment of a person as an attorney pursuant to section 327 if that person is or has been so connected with such judge as to render the employment improper.

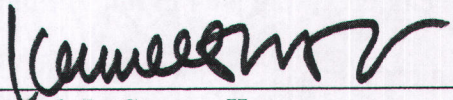
11. Rule 2016(b) Information. Prior to the petition date in the Debtor's case, DJP received cash totaling \$25,000.00. On July 8, 2015, on the day of, but prior to, the filing of the petitions, DJP invoiced fees and costs incurred, including the amount for the filing fee for this cases, and these amounts were paid in full from the retainer amounts held by the Firm. DJP therefore holds a remaining \$21,919.00 in total as a cash retainer for its representation of the Debtor in its reorganization case, subject to application and allowance under applicable bankruptcy law. Under the Firm's engagement agreement with the Debtor, the Firm's fees will be billed on an hourly basis at the Firm's prevailing rates at the time incurred. Postpetition fees and costs will be paid only as allowed by the Court.

12. No Agreement to Share Compensation. DJP has not been paid any other amounts in connection with this case and has not agreed to share compensation or reimbursement other than with shareholders and associates of DJP as permitted by section 504 of the Bankruptcy Code.

13. Billing Rates. Subject to the Court's approval of fees and expenses under applicable bankruptcy law, DJP will charge the Debtor for its legal services on an hourly basis in accordance with its ordinary and customary hourly rates for cases of this nature as in effect on the date services are rendered. DJP's hourly billing rates are generally increased annually. I anticipate that the principal attorneys from DJP who will provide services to the Debtor are myself and Penrod W. Keith. The Firm's local hourly billing rate for us in 2015 is \$390 for me and \$370 for Mr. Keith. In addition, DJP will staff the Debtor's matters with other shareholders, associates, and paralegals as necessary. Local billing rates in 2015 for attorneys who may be involved in DJP's representation of the Debtor range from \$185 to \$430.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury under the laws of the United States that the foregoing statements are true and correct.

DATED: July 29, 2015



Kenneth L. Cannon II